



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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MINING COMPANY ACCUSED OF FRAUD IN STOCK PROMOTION

PHOENIX – The Securities Division of the Arizona Corporation Commission has accused a company with operations in Arizona of fraud in the sale of unregistered securities.

The Division filed its administrative action against M.G. Natural Resources Corporation, a company that has been known under various names such as Mariah International, Guildmark Industries and M.G. Gold Corporation. M.G. Natural Resources most recently changed its name to Xenolix Technologies, Inc., incorporated in Nevada. The action also names Alvin Charles Johnson Jr., of Tempe, who is vice president of Technology, Research and Development.

According to the action filed by the Division, between 1997 and 1999, when the company was known as M.G. Natural Resources, it offered and sold stock while quoted on the electronic Bulletin Board. The company claimed to have a patented technology that would extract gold and other precious metals from the company's volcanic cinders on property it owned east of Flagstaff. The stock was removed from the electronic Bulletin Board in 2000, and is currently being promoted on the pink sheets. The pink sheets consist of printed stock quotations for little known and thinly traded stocks. Pink sheets do not provide detailed information of the companies and virtually no standards are required for a listing. The various offerings conducted over the years were not registered nor were the persons selling the stock registered with the Division.

The Securities Division also alleges that M.G. Natural Resources Corporation committed fraud by withholding from investors the fact that the technology the company was relying on had failed for some 20 years to produce any economically viable product from processing the cinders. The company is accused of issuing

press releases that tout the technology as being on the verge of producing highly successful results. There are no known successful operations in Arizona for extracting economically viable quantities of precious metals from volcanic cinders.

The Securities Division action alleges that Alvin Charles Johnson, Jr. assisted in issuing information through press releases that misrepresented or otherwise gave the misleading impression about M.G.'s ability to economically produce precious metals from the cinders. Currently, the company, under its successor name, is claiming to have developed a process for extracting precious metals from fly ash, the by-product of coal mining, generally used in concrete and road building operations.

M.G. Natural Resources and Mr. Johnson have 10 days to request a hearing on this matter. If a hearing is requested, it will begin 20 to 60 days after the request for hearing is made. The Securities Division is seeking a cease and desist order, administrative penalties and any other action deemed appropriate by the Arizona Corporation Commission.

The public is encouraged to always check out an investment proposal by contacting the Division, which offers many educational resources on mining and precious metals investments. The Securities Division can be contacted at (602) 542-4242, toll free at 1-877-811-3878, or visit the website at www.ccsd.cc.state.az.us.

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